

Pub. L. 89-44, title III, §302, June 21, 1965, 79 Stat. 147; Pub. L. 95-172, §2(a), Nov. 12, 1977, 91 Stat. 1358.)

# REPEAL

*This subchapter, relating to the tax on communications was repealed by Pub. L. 90-364, title I, §105(b)(3), June 28, 1968, 82 Stat. 266, as amended by Pub. L. 91-172, title VII, §702(b)(3), Dec. 30, 1969, 83 Stat. 660; Pub. L. 91-614, title II, §201(b)(3), Dec. 31, 1970, 84 Stat. 1843, effective with respect to amounts paid pursuant to bills first rendered on or after Jan. 1, 1982. In the case of communications services rendered before Nov. 1, 1981, for which a bill has not been rendered before Jan. 1, 1982, a bill shall be treated as having been first rendered on Dec. 31, 1981. Repeal of this subchapter was not executed in view of the amendments to section 4251 of this title by Pub. L. 96-499, Pub. L. 97-34, Pub. L. 97-248, Pub. L. 98-369, Pub. L. 99-514, Pub. L. 100-203, and Pub. L. 101-508, extending the date in (and finally eliminating) provisions which had reduced the tax to zero after a specified date.*

# AMENDMENTS

1977—Subsec. (c). Pub. L. 95-172 added subsec. (c).  
 1965—Subsec. (a). Pub. L. 89-44 substituted “local telephone service or toll telephone service” for “general telephone service, toll telephone service, or telegraph service”.  
 Subsec. (b). Pub. L. 89-44 substituted “toll telephone service” for “toll telephone service or telegraph service” in catchline and text.  
 1958—Subsec. (a). Pub. L. 85-859 provided that if the person who renders the bill groups individual items for purposes of rendering the bill and computing the tax, then the amount on which the tax with respect to each group shall be based shall be the sum of all items within that group, and the tax on remaining items not included in any such group shall be based on the charge of each item separately.  
 Subsec. (b). Pub. L. 85-859 substituted “toll telephone service” for “long distance telephone service”.

# EFFECTIVE DATE OF 1977 AMENDMENT

Section 2(b) of Pub. L. 95-172 provided that: “The amendment made by this section [amending this section] shall take effect only with respect to amounts paid pursuant to bills first rendered on or after the first day of the first month which begins more than 20 days after the date of the enactment of this Act [Nov. 12, 1977]. For purposes of the preceding sentence, in the case of communications services rendered more than 2 months before the effective date provided in the preceding sentence, no bill shall be treated as having been first rendered on or after such effective date.”

# EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by Pub. L. 89-44 applicable to amounts paid pursuant to bills rendered on or after January 1, 1966, for service rendered on or after such date, but, in the case of amounts paid pursuant to bills rendered after January 1, 1966, for services rendered before such date for which no previous bill had been rendered, applicable except with respect to such services as were rendered more than two months before such date, see section 701(b)(2)(A) of Pub. L. 89-44, set out as a note under section 4251 of this title.

# EFFECTIVE DATE OF 1958 AMENDMENT

For effective date of amendment made by Pub. L. 85-859, see section 133(b) of Pub. L. 85-859, set out as a note under section 4251 of this title.

# Subchapter C—Transportation by Air

Part	
I.	Persons.
II.	Property.
III.	Special provisions relating to taxes on transportation by air. <sup>1</sup>

# PART I—PERSONS

Sec.	
4261.	Imposition of tax.
4262.	Definition of taxable transportation.
4263.	Special rules.

# AMENDMENTS

1970—Pub. L. 91-258, title II, §205(c)(4), May 21, 1970, 84 Stat. 242, substituted “Transportation by Air” for “Transportation of Persons by Air” in subchapter heading, inserted part I to III headings in subchapter analysis, inserted “PART I—PERSONS” as analysis heading preceding section 4261, struck out item 4263, and redesignated item 4264 as 4263.  
 1962—Pub. L. 87-508, §5(b), June 28, 1962, 76 Stat. 115, substituted “Transportation of Persons by Air” for “Transportation of Persons” in subchapter heading.  
 1958—Pub. L. 85-475, §4(b)(2), June 30, 1958, 72 Stat. 260, substituted “Transportation of Persons” for “Transportation” in subchapter heading and struck out parts I-III, which were included in subchapter C.  
 1956—Act July 25, 1956, ch. 725, §5, 70 Stat. 646, added items 4262 and 4264 and redesignated former item 4262 as 4263.

# § 4261. Imposition of tax

# (a) In general

There is hereby imposed on the amount paid for taxable transportation of any person a tax equal to 7.5 percent of the amount so paid.

# (b) Domestic segments of taxable transportation

# (1) In general

There is hereby imposed on the amount paid for each domestic segment of taxable transportation by air a tax in the amount determined in accordance with the following table for the period in which the segment begins:

In the case of segments beginning:	The tax is:
After September 30, 1997, and before October 1, 1998 .....	\$1.00
After September 30, 1998, and before October 1, 1999 .....	\$2.00
After September 30, 1999, and before January 1, 2000 .....	\$2.25
During 2000 .....	\$2.50
During 2001 .....	\$2.75
During 2002 or thereafter .....	\$3.00.

# (2) Domestic segment

For purposes of this section, the term “domestic segment” means any segment consisting of 1 takeoff and 1 landing and which is taxable transportation described in section 4262(a)(1).

# (3) Changes in segments by reason of rerouting

If—

- (A) transportation is purchased between 2 locations on specified flights, and
- (B) there is a change in the route taken between such 2 locations which changes the number of domestic segments, but there is

<sup>1</sup> So in original. Does not conform to part heading.

no change in the amount charged for such transportation,

the tax imposed by paragraph (1) shall be determined without regard to such change in route.

**(c) Use of international travel facilities**

**(1) In general**

There is hereby imposed a tax of \$12.00 on any amount paid (whether within or without the United States) for any transportation of any person by air, if such transportation begins or ends in the United States.

**(2) Exception for transportation entirely taxable under subsection (a)**

This subsection shall not apply to any transportation all of which is taxable under subsection (a) (determined without regard to sections 4281 and 4282).

**(3) Special rule for Alaska and Hawaii**

In any case in which the tax imposed by paragraph (1) applies to a domestic segment beginning or ending in Alaska or Hawaii, such tax shall apply only to departures and shall be at the rate of \$6.

**(d) By whom paid**

Except as provided in section 4263(a), the taxes imposed by this section shall be paid by the person making the payment subject to the tax.

**(e) Special rules**

**(1) Segments to and from rural airports**

**(A) Exception from segment tax**

The tax imposed by subsection (b)(1) shall not apply to any domestic segment beginning or ending at an airport which is a rural airport for the calendar year in which such segment begins or ends (as the case may be).

**(B) Rural airport**

For purposes of this paragraph, the term “rural airport” means, with respect to any calendar year, any airport if—

(i) there were fewer than 100,000 commercial passengers departing by air (in the case of any airport described in clause (ii)(III), on flight segments of at least 100 miles) during the second preceding calendar year from such airport, and

(ii) such airport—

(I) is not located within 75 miles of another airport which is not described in clause (i),

(II) is receiving essential air service subsidies as of the date of the enactment of this paragraph, or

(III) is not connected by paved roads to another airport.

**(C) No phasein of reduced ticket tax**

In the case of transportation beginning before October 1, 1999—

**(i) In general**

Paragraph (5) shall not apply to any domestic segment beginning or ending at an airport which is a rural airport for the calendar year in which such segment begins or ends (as the case may be).

**(ii) Transportation involving multiple segments**

In the case of transportation involving more than 1 domestic segment at least 1 of which does not begin or end at a rural airport, the 7.5 percent rate applicable by reason of clause (i) shall be applied by taking into account only an amount which bears the same ratio to the amount paid for such transportation as the number of specified miles in domestic segments which begin or end at a rural airport bears to the total number of specified miles in such transportation.

**(2) Amounts paid outside the United States**

In the case of amounts paid outside the United States for taxable transportation, the taxes imposed by subsections (a) and (b) shall apply only if such transportation begins and ends in the United States.

**(3) Amounts paid for right to award free or reduced rate air transportation**

**(A) In general**

Any amount paid (and the value of any other benefit provided) to an air carrier (or any related person) for the right to provide mileage awards for (or other reductions in the cost of) any transportation of persons by air shall be treated for purposes of subsection (a) as an amount paid for taxable transportation, and such amount shall be taxable under subsection (a) without regard to any other provision of this subchapter.

**(B) Controlled group**

For purposes of subparagraph (A), a corporation and all wholly owned subsidiaries of such corporation shall be treated as 1 corporation.

**(C) Regulations**

The Secretary shall prescribe rules which reallocate items of income, deduction, credit, exclusion, or other allowance to the extent necessary to prevent the avoidance of tax imposed by reason of this paragraph. The Secretary may prescribe rules which exclude from the tax imposed by subsection (a) amounts attributable to mileage awards which are used other than for transportation of persons by air.

**(4) Inflation adjustment of dollar rates of tax**

**(A) In general**

In the case of taxable events in a calendar year after the last nonindexed year, the \$3.00 amount contained in subsection (b) and each dollar amount contained in subsection (c) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting the year before the last nonindexed year for “calendar year 1992” in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of 10 cents, such increase shall be rounded to the nearest multiple of 10 cents.

**(B) Last nonindexed year**

For purposes of subparagraph (A), the last nonindexed year is—

- (i) 2002 in the case of the \$3.00 amount contained in subsection (b), and
- (ii) 1998 in the case of the dollar amounts contained in subsection (c).

**(C) Taxable event**

For purposes of subparagraph (A), in the case of the tax imposed by subsection (b), the beginning of the domestic segment shall be treated as the taxable event.

**(D) Special rule for amounts paid for domestic segments beginning after 2002**

If an amount is paid during a calendar year for a domestic segment beginning in a later calendar year, then the rate of tax under subsection (b) on such amount shall be the rate in effect for the calendar year in which such amount is paid.

**(5) Rates of ticket tax for transportation beginning before October 1, 1999**

Subsection (a) shall be applied by substituting for “7.5 percent”—

- (A) “9 percent” in the case of transportation beginning after September 30, 1997, and before October 1, 1998, and
- (B) “8 percent” in the case of transportation beginning after September 30, 1998, and before October 1, 1999.

**(f) Exemption for certain uses**

No tax shall be imposed under subsection (a) or (b) on air transportation—

- (1) by helicopter for the purpose of transporting individuals, equipment, or supplies in the exploration for, or the development or removal of, hard minerals, oil, or gas, or
- (2) by helicopter or by fixed-wing aircraft for the purpose of the planting, cultivation, cutting, or transportation of, or caring for, trees (including logging operations),

but only if the helicopter or fixed-wing aircraft does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970, or otherwise use services provided pursuant to section 44509 or 44913(b) or subchapter I of chapter 471 of title 49, United States Code, during such use. In the case of helicopter transportation described in paragraph (1), this subsection shall be applied by treating each flight segment as a distinct flight.

**(g) Exemption for air ambulances providing certain emergency medical transportation**

No tax shall be imposed under this section or section 4271 on any air transportation for the purpose of providing emergency medical services—

- (1) by helicopter, or
- (2) by a fixed-wing aircraft equipped for and exclusively dedicated on that flight to acute care emergency medical services.

**(h) Exemption for skydiving uses**

No tax shall be imposed by this section or section 4271 on any air transportation exclusively for the purpose of skydiving.

**(i) Exemption for seaplanes**

No tax shall be imposed by this section or section 4271 on any air transportation by a seaplane

with respect to any segment consisting of a takeoff from, and a landing on, water, but only if the places at which such takeoff and landing occur have not received and are not receiving financial assistance from the Airport and Airways Trust Fund.

**(j) Application of taxes****(1) In general**

The taxes imposed by this section shall apply to—

(A) transportation beginning during the period—

- (i) beginning on the 7th day after the date of the enactment of the Airport and Airway Trust Fund Tax Reinstatement Act of 1997, and
- (ii) ending on January 31, 2012, and

(B) amounts paid during such period for transportation beginning after such period.

**(2) Refunds**

If, as of the date any transportation begins, the taxes imposed by this section would not have applied to such transportation if paid for on such date, any tax paid under paragraph (1)(B) with respect to such transportation shall be treated as an overpayment.

(Aug. 16, 1954, ch. 736, 68A Stat. 506; July 25, 1956, ch. 725, §§1, 4(b), 70 Stat. 644, 646; Pub. L. 86-75, §4, June 30, 1959, 73 Stat. 158; Pub. L. 86-564, title II, §202(a)(3), June 30, 1960, 74 Stat. 290; Pub. L. 87-72, §3(a)(3), June 30, 1961, 75 Stat. 193; Pub. L. 87-508, §5(a), (b), June 28, 1962, 76 Stat. 115; Pub. L. 88-52, §3(a)(3), June 29, 1963, 77 Stat. 72; Pub. L. 88-348, §2(a)(3), June 30, 1964, 78 Stat. 237; Pub. L. 89-44, title III, §303(a), June 21, 1965, 79 Stat. 148; Pub. L. 91-258, title II, §203(a), May 21, 1970, 84 Stat. 238; Pub. L. 94-455, title XIX, §1904(a)(7), Oct. 4, 1976, 90 Stat. 1812; Pub. L. 96-298, §1(b), July 1, 1980, 94 Stat. 829; Pub. L. 97-248, title II, §280(a), Sept. 3, 1982, 96 Stat. 564; Pub. L. 98-369, div. A, title X, §1018(b), July 18, 1984, 98 Stat. 1021; Pub. L. 99-514, title XVIII, §1878(c)(2), Oct. 22, 1986, 100 Stat. 2903; Pub. L. 100-223, title IV, §§402(a)(1), 404(a), (c), Dec. 30, 1987, 101 Stat. 1532, 1533; Pub. L. 101-239, title VII, §7503(a), Dec. 19, 1989, 103 Stat. 2362; Pub. L. 101-508, title XI, §11213(a)(1), (d)(1), Nov. 5, 1990, 104 Stat. 1388-432, 1388-435; Pub. L. 103-272, §5(g)(2), July 5, 1994, 108 Stat. 1374; Pub. L. 104-188, title I, §1609(b), (d), (e), Aug. 20, 1996, 110 Stat. 1841, 1842; Pub. L. 105-2, §2(b)(1), Feb. 28, 1997, 111 Stat. 5; Pub. L. 105-34, title X, §1031(b)(1), (c)(1), (2), title XIV, §1435(a), title XVI, §1601(f)(4)(D), Aug. 5, 1997, 111 Stat. 929, 930, 1052, 1091; Pub. L. 108-176, title IX, §902(a), Dec. 12, 2003, 117 Stat. 2598; Pub. L. 109-59, title XI, §§11121(c), 11122(a), 11123(a), Aug. 10, 2005, 119 Stat. 1951, 1952; Pub. L. 109-135, title IV, §412(vv), Dec. 21, 2005, 119 Stat. 2640; Pub. L. 110-161, div. K, title I, §116(b)(1), Dec. 26, 2007, 121 Stat. 2381; Pub. L. 110-190, §2(b)(1), Feb. 28, 2008, 122 Stat. 643; Pub. L. 110-253, §2(b)(1), June 30, 2008, 122 Stat. 2417; Pub. L. 110-330, §2(b)(1), Sept. 30, 2008, 122 Stat. 3717; Pub. L. 111-12, §2(b)(1), Mar. 30, 2009, 123 Stat. 1457; Pub. L. 111-69, §2(b)(1), Oct. 1, 2009, 123 Stat. 2054; Pub. L. 111-116, §2(b)(1), Dec. 16, 2009, 123 Stat. 3031; Pub. L. 111-153, §2(b)(1), Mar. 31, 2010, 124 Stat. 1084; Pub. L. 111-161, §2(b)(1), Apr. 30, 2010, 124 Stat.

1126; Pub. L. 111-197, §2(b)(1), July 2, 2010, 124 Stat. 1353; Pub. L. 111-216, title I, §101(b)(1), Aug. 1, 2010, 124 Stat. 2349; Pub. L. 111-249, §2(b)(1), Sept. 30, 2010, 124 Stat. 2627; Pub. L. 111-329, §2(b)(1), Dec. 22, 2010, 124 Stat. 3566; Pub. L. 112-7, §2(b)(1), Mar. 31, 2011, 125 Stat. 31; Pub. L. 112-16, §2(b)(1), May 31, 2011, 125 Stat. 218; Pub. L. 112-21, §2(b)(1), June 29, 2011, 125 Stat. 233; Pub. L. 112-27, §2(b)(1), Aug. 5, 2011, 125 Stat. 270; Pub. L. 112-30, title II, §202(b)(1), Sept. 16, 2011, 125 Stat. 357.)

#### INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS

*For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title and Internal Revenue Service announcements listed in a table below.*

#### REFERENCES IN TEXT

The date of the enactment of this paragraph, referred to in subsec. (e)(1)(B)(ii)(II), is the date of enactment of Pub. L. 105-34, which was approved Aug. 5, 1997.

The Airport and Airway Development Act of 1970, referred to in subsec. (f), is title I of Pub. L. 91-258, May 21, 1970, 84 Stat. 219, which was classified principally to chapter 25 (§1701 et seq.) of former Title 49, Transportation. Sections 1 to 30 of title I of Pub. L. 91-258, which enacted sections 1701 to 1703, 1711 to 1713, and 1714 to 1730 of former Title 49 and a provision set out as a note under section 1701 of former Title 49, were repealed by Pub. L. 97-248, title V, §523(a), Sept. 3, 1982, 96 Stat. 695. Sections 31, 51, 52(a), (b)(4), (6), (c), (d), and 53 of title I of Pub. L. 91-258 were repealed by Pub. L. 103-272, §7(b), July 5, 1994, 108 Stat. 1379, the first section of which enacted subtitles II, III, and V to X of Title 49, Transportation. For complete classification of this Act to the Code, see Tables. For disposition of sections of former Title 49, see table at the beginning of Title 49.

The date of the enactment of the Airport and Airway Trust Fund Tax Reinstatement Act of 1997, referred to in subsec. (j)(1)(A)(i), is the date of enactment of Pub. L. 105-2, which was approved Feb. 28, 1997.

#### AMENDMENTS

2011—Subsec. (j)(1)(A)(ii). Pub. L. 112-30 substituted “January 31, 2012” for “September 16, 2011”.

Pub. L. 112-27 substituted “September 16, 2011” for “July 22, 2011”.

Pub. L. 112-21 substituted “July 22, 2011” for “June 30, 2011”.

Pub. L. 112-16 substituted “June 30, 2011” for “May 31, 2011”.

Pub. L. 112-7 substituted “May 31, 2011” for “March 31, 2011”.

2010—Subsec. (j)(1)(A)(ii). Pub. L. 111-329 substituted “March 31, 2011” for “December 31, 2010”.

Pub. L. 111-249 substituted “December 31, 2010” for “September 30, 2010”.

Pub. L. 111-216 substituted “September 30, 2010” for “August 1, 2010”.

Pub. L. 111-197 substituted “August 1, 2010” for “July 3, 2010”.

Pub. L. 111-161 substituted “July 3, 2010” for “April 30, 2010”.

Pub. L. 111-153 substituted “April 30, 2010” for “March 31, 2010”.

2009—Subsec. (j)(1)(A)(ii). Pub. L. 111-116 substituted “March 31, 2010” for “December 31, 2009”.

Pub. L. 111-69 substituted “December 31, 2009” for “September 30, 2009”.

Pub. L. 111-12 substituted “September 30, 2009” for “March 31, 2009”.

2008—Subsec. (j)(1)(A)(ii). Pub. L. 110-330 substituted “March 31, 2009” for “September 30, 2008”.

Pub. L. 110-253 substituted “September 30, 2008” for “June 30, 2008”.

Pub. L. 110-190 substituted “June 30, 2008” for “February 29, 2008”.

2007—Subsec. (j)(1)(A)(ii). Pub. L. 110-161 substituted “February 29, 2008” for “September 30, 2007”.

2005—Subsec. (e)(1)(B)(i). Pub. L. 109-59, §11122(a)(1), inserted “(in the case of any airport described in clause (ii)(III), on flight segments of at least 100 miles)” after “by air”.

Subsec. (e)(1)(B)(ii)(III). Pub. L. 109-59, §11122(a)(2), added subcl. (III).

Subsec. (e)(4)(C). Pub. L. 109-135 substituted “imposed by subsection (b)” for “imposed subsection (b)”.

Subsec. (f). Pub. L. 109-59, §11121(c), amended heading and text of subsec. (f) generally. Prior to amendment, text read as follows: “No tax shall be imposed under subsection (a) or (b) on air transportation by helicopter for the purpose of—

“(1) transporting individuals, equipment, or supplies in the exploration for, or the development or removal of, hard minerals, oil, or gas, or

“(2) the planting, cultivation, cutting, or transportation of, or caring for, trees (including logging operations),

but only if the helicopter does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970, or otherwise use services provided pursuant to section 44509 or 44913(b) or subchapter I of chapter 471 of title 49, United States Code, during such use. In the case of helicopter transportation described in paragraph (1), this subsection shall be applied by treating each flight segment as a distinct flight.”

Subsecs. (i), (j). Pub. L. 109-59, §11123(a), added subsec. (i) and redesignated former subsec. (i) as (j).

2003—Subsec. (e)(4)(D). Pub. L. 108-176 added subpar. (D).

1997—Subsec. (a). Pub. L. 105-34, §1031(c)(1), added subsec. (a) and struck out heading and text of former subsec. (a). Text read as follows: “There is hereby imposed upon the amount paid for taxable transportation (as defined in section 4262) of any person a tax equal to 10 percent of the amount so paid. In the case of amounts paid outside of the United States for taxable transportation, the tax imposed by this subsection shall apply only if such transportation begins and ends in the United States.”

Subsec. (b). Pub. L. 105-34, §1031(c)(1), added subsec. (b) and struck out heading and text of former subsec. (b). Text read as follows: “There is hereby imposed upon the amount paid for seating or sleeping accommodations in connection with transportation and with respect to which a tax is imposed by subsection (a), a tax equal to 10 percent of the amount so paid.”

Subsec. (c). Pub. L. 105-34, §1031(c)(1), added subsec. (c) and struck out heading and text of former subsec. (c). Text read as follows: “There is hereby imposed a tax of \$6 upon any amount paid (whether within or without the United States) for any transportation of any person by air, if such transportation begins in the United States. This subsection shall not apply to any transportation all of which is taxable under subsection (a) (determined without regard to sections 4281 and 4282).”

Subsecs. (e), (f). Pub. L. 105-34, §1031(c)(2), added subsec. (e) and redesignated former subsec. (e) as (f). Former subsec. (f) redesignated (g).

Subsec. (g). Pub. L. 105-34, §1031(c)(2), redesignated subsec. (f) as (g). Former subsec. (g) redesignated (h).

Pub. L. 105-2 amended heading and text of subsec. (g) generally. Prior to amendment, text read as follows: “The taxes imposed by this section shall apply with respect to transportation beginning after August 31, 1982, and before January 1, 1996, and to transportation beginning on or after the date which is 7 calendar days after the date of the enactment of the Small Business Job Protection Act of 1996 and before January 1, 1997.”

Subsec. (g)(1)(A)(ii). Pub. L. 105-34, §1031(b)(1), substituted “September 30, 2007” for “September 30, 1997”.

Subsec. (g)(2). Pub. L. 105-34, §1601(f)(4)(D), inserted “on that flight” after “dedicated”.

Subsec. (h). Pub. L. 105-34, §1435(a), added subsec. (h). Former subsec. (h) redesignated (i).

Pub. L. 105-34, §1031(c)(2), redesignated subsec. (g) as (h).

Subsec. (i). Pub. L. 105-34, §1435(a), redesignated subsec. (h) as (i).

1996—Subsec. (e). Pub. L. 104-188, §1609(e), inserted at end “In the case of helicopter transportation described in paragraph (1), this subsection shall be applied by treating each flight segment as a distinct flight.”

Subsec. (f). Pub. L. 104-188, §1609(d), amended subsec. (f) generally. Prior to amendment, subsec. (f) read as follows:

“(f) EXEMPTION FOR CERTAIN EMERGENCY MEDICAL TRANSPORTATION.—No tax shall be imposed under this section or section 4271 on any air transportation by helicopter for the purpose of providing emergency medical services if such helicopter—

“(1) does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970 during such transportation, and

“(2) does not otherwise use services provided pursuant to section 44509 or 44913(b) or subchapter I of chapter 471 of title 49, United States Code, during such transportation.”

Subsec. (g). Pub. L. 104-188, §1609(b), substituted “January 1, 1996, and to transportation beginning on or after the date which is 7 calendar days after the date of the enactment of the Small Business Job Protection Act of 1996 and before January 1, 1997” for “January 1, 1996”.

1994—Subsecs. (e), (f)(2). Pub. L. 103-272, §5(g)(2), substituted “section 44509 or 44913(b) or subchapter I of chapter 471 of title 49, United States Code,” for “the Airport and Airway Improvement Act of 1982”.

1990—Subsecs. (a), (b). Pub. L. 101-508, §11213(a)(1), substituted “10 percent” for “8 percent”.

Subsec. (g). Pub. L. 101-508, §11213(d)(1), substituted “January 1, 1996” for “January 1, 1991”.

1989—Subsec. (c). Pub. L. 101-239 substituted “\$6” for “\$3”.

1987—Subsec. (e). Pub. L. 100-223, §404(c), which directed the substitution of “Improvement Act” for “System Improvement Act” could not be executed because such words do not appear.

Subsec. (f). Pub. L. 100-223, §404(a), added subsec. (f). Former subsec. (f) redesignated (g).

Pub. L. 100-223, §402(a)(1), substituted “January 1, 1991” for “January 1, 1988”.

Subsec. (g). Pub. L. 100-223, §404(a), redesignated former subsec. (f) as (g).

1986—Subsec. (e)(1). Pub. L. 99-514, amended par. (1) generally. Prior to amendment, par. (1) read as follows: “transporting individuals, equipment, or supplies in—

“(A) the exploration for, or the development or removal of, hard minerals, or

“(B) the exploration for oil or gas, or”.

1984—Subsec. (e)(1). Pub. L. 98-369 amended par. (1) generally, designating existing provisions as subpar. (A) and adding subpar. (B).

1982—Subsec. (e). Pub. L. 97-248 substituted provisions relating to exemptions for certain helicopter uses for provisions that effective with respect to transportation beginning after Sept. 30, 1980, the rate of taxes imposed by subsecs. (a) and (b) would be 5 percent and taxes imposed by subsec. (c) would not apply.

Subsec. (f). Pub. L. 97-248 added subsec. (f).

1980—Subsec. (e). Pub. L. 96-298 substituted “September 30, 1980” for “June 30, 1980”.

1976—Subsec. (a). Pub. L. 94-455, §1904(a)(7)(A), struck out “which begins after June 30, 1970” after “any person”.

Subsec. (b). Pub. L. 94-455, §1904(a)(7)(A), struck out “which begins after June 30, 1970” after “with transportation”.

Subsec. (c). Pub. L. 94-455, §1904(a)(7)(B), struck out “and begins after June 30, 1970” after “United States”.

1970—Subsec. (a). Pub. L. 91-258 consolidated former provisions of subsecs. (a) and (b) for imposition of tax

on amounts paid within and outside the United States, substituting an 8 percent rate commencing after June 30, 1970, for prior 5 percent rate commencing after Nov. 15, 1962.

Subsec. (b). Pub. L. 91-258 redesignated subsec. (c) as (b), substituting an 8 percent rate in connection with transportation which begins after June 30, 1970, and with respect to which a tax is imposed by subsec. (a) for prior 5 percent rate in connection with transportation which began after Nov. 15, 1962, and with respect to which a tax had been imposed by former provisions of subsecs. (a) and (b). Former subsec. (b) provisions for imposition of tax on amounts paid outside the United States were incorporated in subsec. (a).

Subsecs. (c), (d). Pub. L. 91-258 added subsec. (c), redesignated former subsec. (c) as (d), and substituted “section 4263(a)” for “section 4264”.

Subsec. (e). Pub. L. 91-258 added subsec. (e).

1965—Pub. L. 89-44 substituted “November 15, 1962” for “November 15, 1962, and before July 1, 1965” wherever appearing.

1964—Pub. L. 88-348 substituted “July 1, 1965” for “July 1, 1964” wherever appearing.

1963—Pub. L. 88-52 substituted “July 1, 1964” for “July 1, 1963” wherever appearing.

1962—Subsecs. (a), (b). Pub. L. 87-508, §5(b), struck out imposition of tax on transportation of persons by rail, motor vehicle, or water and substituted “tax equal to 5 percent of the amount so paid in connection with transportation which begins after November 15, 1962, and before July 1, 1963” for “tax equal to 10 percent of the amount so paid for transportation which begins before November 16, 1962”.

Pub. L. 87-508, §5(a), substituted provisions imposing a tax equal to 10 percent of the amount paid for transportation which begins before Nov. 16, 1962, for provisions imposing a tax equal to 10 percent of the amount paid before July 1, 1962, or 5 percent of the amount paid on or after July 1, 1962.

Subsec. (c). Pub. L. 87-508, §5(b), substituted “tax equivalent to 5 percent of the amount so paid in connection with transportation which begins after November 15, 1962, and before July 1, 1963” for “tax equivalent to 10 percent of the amount so paid in connection with transportation which begins before November 16, 1962”.

Pub. L. 87-508, §5(a), substituted provision imposing a tax equivalent to 10 percent of the amount paid in connection with transportation which begins before Nov. 16, 1962 for provision imposing a tax equivalent to 10 percent of the amount paid before July 1, 1962, or 5 percent of the amount paid on or after July 1, 1962.

1961—Pub. L. 87-72 substituted “July 1, 1962” for “July 1, 1961”, wherever appearing.

1960—Pub. L. 86-564 substituted “July 1, 1961” for “July 1, 1960” wherever appearing.

1959—Pub. L. 86-75 reduced tax on transportation of persons from ten to five percent effective July 1, 1960.

1956—Subsec. (a). Act July 25, 1956, §1, substituted “taxable transportation (as defined in section 4262) of any person by rail, motor vehicle, water, or air a tax” for “the transportation of persons by rail, motor vehicle, water, or air within or without the United States a tax”.

Subsec. (b). Act July 25, 1956, §1, substituted “taxable transportation (as defined in section 4262) of any person by rail, motor vehicle, water, or air, but only if such transportation begins and ends in the United States” for “transportation of persons by rail, motor vehicle, water, or air which begins and ends in the United States”.

Subsec. (d). Act July 25, 1956, §4(b), substituted “Except as provided in section 4264, the” for “The”.

#### EFFECTIVE DATE OF 2011 AMENDMENT

Amendment by Pub. L. 112-30 effective Sept. 17, 2011, see section 202(c) of Pub. L. 112-30, set out as a note under section 4081 of this title.

Amendment by Pub. L. 112-27 effective July 23, 2011, see section 2(c) of Pub. L. 112-27, set out as a note under section 4081 of this title.

Amendment by Pub. L. 112-21 effective July 1, 2011, see section 2(c) of Pub. L. 112-21, set out as a note under section 4081 of this title.

Amendment by Pub. L. 112-16 effective June 1, 2011, see section 2(c) of Pub. L. 112-16, set out as a note under section 4081 of this title.

Amendment by Pub. L. 112-7 effective Apr. 1, 2011, see section 2(c) of Pub. L. 112-7, set out as a note under section 4081 of this title.

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-329 effective Jan. 1, 2011, see section 2(c) of Pub. L. 111-329, set out as a note under section 4081 of this title.

Amendment by Pub. L. 111-249 effective Oct. 1, 2010, see section 2(c) of Pub. L. 111-249, set out as a note under section 4081 of this title.

Amendment by Pub. L. 111-216 effective Aug. 2, 2010, see section 101(c) of Pub. L. 111-216, set out as a note under section 4081 of this title.

Amendment by Pub. L. 111-197 effective July 4, 2010, see section 2(c) of Pub. L. 111-197, set out as a note under section 4081 of this title.

Amendment by Pub. L. 111-161 effective May 1, 2010, see section 2(c) of Pub. L. 111-161, set out as a note under section 4081 of this title.

Amendment by Pub. L. 111-153 effective Apr. 1, 2010, see section 2(c) of Pub. L. 111-153, set out as a note under section 4081 of this title.

#### EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-116 effective Jan. 1, 2010, see section 2(c) of Pub. L. 111-116, set out as a note under section 4081 of this title.

Amendment by Pub. L. 111-69 effective Oct. 1, 2009, see section 2(c) of Pub. L. 111-69, set out as a note under section 4081 of this title.

Amendment by Pub. L. 111-12 effective Apr. 1, 2009, see section 2(c) of Pub. L. 111-12, set out as a note under section 4081 of this title.

#### EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Pub. L. 110-330 effective Oct. 1, 2008, see section 2(c) of Pub. L. 110-330, set out as a note under section 4081 of this title.

Amendment by Pub. L. 110-253 effective July 1, 2008, see section 2(c) of Pub. L. 110-253, set out as a note under section 4081 of this title.

Amendment by Pub. L. 110-190 effective Mar. 1, 2008, see section 2(c) of Pub. L. 110-190, set out as a note under section 4081 of this title.

#### EFFECTIVE DATE OF 2007 AMENDMENT

Amendment by Pub. L. 110-161 effective Oct. 1, 2007, see section 116(d) of div. K of Pub. L. 110-161, set out as a note under section 4081 of this title.

#### EFFECTIVE DATE OF 2005 AMENDMENT

Pub. L. 109-59, title XI, §11121(d), Aug. 10, 2005, 119 Stat. 1952, provided that: "The amendments made by this section [amending this section and section 6420 of this title] shall apply to fuel use or air transportation after September 30, 2005."

Pub. L. 109-59, title XI, §11122(b), Aug. 10, 2005, 119 Stat. 1952, provided that: "The amendments made by this section [amending this section] shall take effect on October 1, 2005."

Amendment by section 11123(a) of Pub. L. 109-59 applicable to transportation beginning after Sept. 30, 2005, see section 11123(c) of Pub. L. 109-59, set out as a note under section 4083 of this title.

#### EFFECTIVE DATE OF 2003 AMENDMENT

Pub. L. 108-176, title IX, §902(b), Dec. 12, 2003, 117 Stat. 2598, provided that: "The amendment made by subsection (a) [amending this section] shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 [Pub. L. 105-34] to which they relate."

#### EFFECTIVE DATE OF 1997 AMENDMENTS

Section 1031(e)(2) of Pub. L. 105-34 provided that:

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by subsections (b) and (c) [amending this section and sections 4263 and 4271 of this title] shall apply to transportation beginning on or after October 1, 1997.

"(B) TREATMENT OF AMOUNTS PAID FOR TICKETS PURCHASED BEFORE OCTOBER 1, 1997.—The amendments made by subsection (c) [amending this section and section 4263 of this title] shall not apply to amounts paid before October 1, 1997; except that—

"(i) the amendment made to section 4261(c) of the Internal Revenue Code of 1986 shall apply to amounts paid more than 7 days after the date of the enactment of this Act [Aug. 5, 1997] for transportation beginning on or after October 1, 1997, and

"(ii) the amendment made to section 4263(c) of such Code shall apply to the extent related to taxes imposed under the amendment made to such section 4261(c) on the amounts described in clause (i).

"(C) AMOUNTS PAID FOR RIGHT TO AWARD MILEAGE AWARDS.—

"(i) IN GENERAL.—Paragraph (3) of section 4261(e) of the Internal Revenue Code of 1986 (as added by the amendment made by subsection (c)) shall apply to amounts paid (and other benefits provided) after September 30, 1997.

"(ii) PAYMENTS WITHIN CONTROLLED GROUP.—For purposes of clause (i), any amount paid after June 11, 1997, and before October 1, 1997, by 1 member of a controlled group for a right which is described in such section 4261(e)(3) and is furnished by another member of such group after September 30, 1997, shall be treated as paid after September 30, 1997. For purposes of the preceding sentence, all persons treated as a single employer under subsection (a) or (b) of section 52 of such Code shall be treated as members of a controlled group."

Section 1435(c)(1) of Pub. L. 105-34 provided that: "The amendment made by subsection (a) [amending this section] shall apply to amounts paid after September 30, 1997."

Amendment by section 1601(f)(4)(D) of Pub. L. 105-34 effective as if included in the provisions of the Small Business Job Protection Act of 1996, Pub. L. 104-188, to which it relates, see section 1601(j) of Pub. L. 105-34, set out as a note under section 23 of this title.

Section 2(e)(2) of Pub. L. 105-2 provided that:

"(A) IN GENERAL.—The amendments made by subsection (b) [amending this section and section 4271 of this title] shall apply to transportation beginning on or after such 7th day [means the 7th day after Feb. 28, 1997].

"(B) EXCEPTION FOR CERTAIN PAYMENTS.—Except as provided in subparagraph (C), the amendments made by subsection (b) shall not apply to any amount paid before such 7th day.

"(C) PAYMENTS OF PROPERTY TRANSPORTATION TAX WITHIN CONTROLLED GROUP.—In the case of the tax imposed by section 4271 of the Internal Revenue Code of 1986, subparagraph (B) shall not apply to any amount paid by 1 member of a controlled group for transportation furnished by another member of such group. For purposes of the preceding sentence, all persons treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as members of a controlled group."

#### EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-188 effective on 7th calendar day after Aug. 20, 1996, but not applicable to any amount paid before such date, see section 1609(i) of Pub. L. 104-188, set out as a note under section 4041 of this title.

#### EFFECTIVE DATE OF 1990 AMENDMENT

Section 11213(a)(3) of Pub. L. 101-508 provided that: "The amendments made by this subsection [amending

this section and section 4271 of this title] shall apply to transportation beginning after November 30, 1990, but shall not apply to amounts paid on or before such date.”

EFFECTIVE DATE OF 1989 AMENDMENT

Section 7503(b) of Pub. L. 101-239 provided that: “The amendment made by subsection (a) [amending this section] shall apply with respect to transportation beginning after December 31, 1989, which was not paid for before such date.”

EFFECTIVE DATE OF 1987 AMENDMENT

Section 404(d)(1) of Pub. L. 100-223 provided that: “The amendment made by subsection (a) [amending this section] shall apply to transportation beginning after September 30, 1988, but shall not apply to amounts paid on or before such date.”

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 effective, except as otherwise provided, as if included in the provisions of the Tax Reform Act of 1984, Pub. L. 98-369, div. A, to which such amendment relates, see section 1881 of Pub. L. 99-514, set out as a note under section 48 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Section 1018(c)(2) of Pub. L. 98-369 provided that: “The amendment made by subsection (b) [amending this section] shall apply to transportation beginning after March 31, 1984, but shall not apply to any amount paid on or before such date.”

EFFECTIVE DATE OF 1982 AMENDMENT

Section 280(d) of Pub. L. 97-248 provided that: “The amendments made by this section [amending this section and sections 4271, 4281, and 6156 of this title and repealing sections 4491 to 4494 and 6426 of this title] shall apply with respect to transportation beginning after August 31, 1982; except that such amendments shall not apply to any amount paid on or before such date.”

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-455 effective on first day of first month which begins more than 90 days after Oct. 4, 1976, see section 1904(d) of Pub. L. 94-455, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-258 applicable to transportation beginning after June 30, 1970, see section 211(b) of Pub. L. 91-258, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Section 701(b)(3) of Pub. L. 89-44 provided that: “The amendments made by section 303 [amending this section] shall apply with respect to amounts paid for transportation, and amounts paid for accommodations in connection with transportation, beginning on or after July 1, 1965.”

EFFECTIVE DATE OF 1962 AMENDMENT

Section 5(b) of Pub. L. 87-508 provided that the amendment made by that section is effective with respect to transportation beginning after Nov. 15, 1962.

EFFECTIVE DATE OF 1956 AMENDMENT

Section 6 of act July 25, 1956, provided that: “The amendments made by this Act [amending this section and sections 4262 to 4264, 4291, and 6421 of this title] shall apply to amounts paid on or after the first day of the first month which begins more than sixty days after the date of the enactment of this Act [July 25, 1956] for transportation commencing on or after such first day.”

DELAYED DEPOSITS OF AIRPORT TRUST FUND TAX REVENUES

Due date for deposits of taxes imposed by this section which would be required to be made after Aug. 14, 1997,

and before Oct. 1, 1997, to be Oct. 10, 1997, and due date for deposits of taxes imposed by this section which would be required to be made after Aug. 14, 1998, and before Oct. 1, 1998, to be Oct. 5, 1998, see section 1031(g) of Pub. L. 105-34, set out as a note under section 6302 of this title.

PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [ §§1101-1147 and 1171-1177] or title XVIII [ §§1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS

Provisions relating to inflation adjustment of items in this section for certain years were contained in the following:

2012—Revenue Procedure 2011-52.

2011—Internal Revenue News Release IR 2010-129, Dec. 29, 2010.

2010—Internal Revenue News Release IR 2009-120, Dec. 23, 2009.

§ 4262. Definition of taxable transportation

(a) Taxable transportation; in general

For purposes of this part, except as provided in subsection (b), the term “taxable transportation” means—

(1) transportation by air which begins in the United States or in the 225-mile zone and ends in the United States or in the 225-mile zone; and

(2) in the case of transportation by air other than transportation described in paragraph (1), that portion of such transportation which is directly or indirectly from one port or station in the United States to another port or station in the United States, but only if such portion is not a part of uninterrupted international air transportation (within the meaning of subsection (c)(3)).

(b) Exclusion of certain travel

For purposes of this part, the term “taxable transportation” does not include that portion of any transportation by air which meets all 4 of the following requirements:

(1) such portion is outside the United States;

(2) neither such portion nor any segment thereof is directly or indirectly—

(A) between (i) a point where the route of the transportation leaves or enters the continental United States, or (ii) a port or station in the 225-mile zone, and

(B) a port or station in the 225-mile zone;

(3) such portion—

(A) begins at either (i) the point where the route of the transportation leaves the United States, or (ii) a port or station in the 225-mile zone, and

(B) ends at either (i) the point where the route of the transportation enters the United States, or (ii) a port or station in the 225-mile zone; and

(4) a direct line from the point (or the port or station) specified in paragraph (3)(A), to the point (or the port or station) specified in para-